

October 1, 1982

CONGRESSIONAL RECORD — HOUSE

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of its traditional authorization and appropriation committees. If the Congress should concur with the dismantling of the Department of Energy, this committee will conduct full and complete oversight hearings on this program and will carefully evaluate the transfer of the RERTR program at that time to ACDA.

The amended bill deleted a provision in the House bill which would have changed the name of the agency to the "Arms Control Agency." The members of both committees felt that this was not a propitious time to change the name of the agency and concurred with the Senate on this program.

Finally, H.R. 3467 as amended, included a Senate provision which encourages the Director of ACDA to pursue research, development, and other studies in anticipation of negotiations on antisatellite activities. This is a highly desirable inclusion to the House bill and was fully supported by my colleagues.

In conclusion, Mr. Speaker, each Member should carefully consider the ACDA authorization in the context of the increased attention and public interest in arms control matters. The bill before us, H.R. 3467 as amended, enables the arms control agency to carry out its responsibilities over the next 2 fiscal years in a fiscally responsible and effective manner. At a time when the President has finally resumed negotiations on limiting strategic arms, this Congress must wholeheartedly endorse the authorization for the agency responsible for such a complex and difficult task.

In brief, Mr. Speaker, I would like to reemphasize that this bill is noncontroversial and was passed by the House on June 8, 1981, by a unanimous voice vote. Furthermore, it has enjoyed complete bipartisan support. I would like to also pay tribute to the ranking minority member of the committee, my colleague and very good friend, the gentleman from Michigan (Mr. BROOMFIELD) for his continued support for this measure and my deep appreciation to him for his assistance.

● Mr. BROOMFIELD. Mr. Speaker, the legislation we have before us today provides the Arms Control Agency with an authorization of appropriations which will allow the Agency to improve nuclear safeguard programs, support verification and monitoring activities, provide research in nuclear nonproliferation, and, most importantly, sustain critical arms control negotiations. Now that the President and his negotiators are involved in the limitation of strategic nuclear weapons, it is my hope, as well as Chairman ZABLOCKI's that the Congress would especially support this authorization.

In particular, the bill, as amended by the Senate, encourages the Director of the Arms Control Agency to pursue research and development in regard to possible arms control negotiations concerning antisatellite activities. Also,

the legislation recommends that money be spent in support of the Agency's verification and monitoring activities which are crucial to verifying arms control treaties.

In this regard, I believe that the bill contributes to our national and international security, especially in the areas of arms control verification and nuclear nonproliferation, and I urge my colleagues to support the legislation. ●

Mr. LOTT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks, and that all Members may have 5 legislative days within which to revise and extend their remarks on the legislation just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

□ 2340

APPOINTMENT OF CONFEREES ON H.R. 6946, FALSE IDENTIFICATION CRIME CONTROL ACT OF 1982

Mr. HUGHES. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 6946) to amend title 18 of the United States Code to provide penalties for certain false identification related crimes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey? The Chair hears none and, without objection, appoints the following conferees: Messrs. RODINO, HUGHES, KASTENMEIER, CONYERS, GLICKMAN, SAWYER, FISH, KINDNESS, and HYDE.

There was no objection.

CONFERENCE REPORT ON S. 734, EXPORT TRADING COMPANY ACT OF 1982

Mr. BROOKS. Mr. Speaker, I call up the conference report on the Senate bill (S. 734) to encourage exports by facilitating the formation and operation of export trading companies, export trade associations, and the expansion of export trade services generally, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of today October 1, 1982.)

Mr. BROOKS (during the reading). Mr. Speaker, I ask unanimous consent that the statement be considered as read.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER pro tempore. The gentleman from Texas (Mr. Brooks) will be recognized for 30 minutes, and the gentleman from Illinois (Mr. McCLORY) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas (Mr. Brooks).

(Mr. BROOKS asked and was given permission to revise and extend his remarks.)

Mr. BROOKS. Mr. Speaker, I yield myself such time as I may consume.

I rise in support of the conference report on S. 734, the Export Trading Company Act.

I am pleased that the conferees agreed to include in this legislation most of the provisions of H.R. 5235, the Foreign Trade Antitrust Improvements Act. These provisions are, I believe, far more important to providing exporters certainty with respect to the antitrust laws than any certification procedure.

I also am pleased that the certification procedure agreed to by the conferees is a balanced one. It includes protection for the certified exporter—no treble damage suits may be brought against an exporter for conduct within the terms and conditions of a certificate—but it also protects competitors and consumers from injury caused by anticompetitive conduct.

The Attorney General retains his right to investigate conduct of certified exporters. The Attorney General may also require the Secretary of Commerce to revoke the certificate when the Attorney General determines that the conduct of the export association is not consistent with the standards set forth in the act. And when certified conduct threatens clear and irreparable harm to the national interest, the Attorney General may bring suit under section 15 of the Clayton Act to enjoin the conduct. Finally, a certified exporter remains fully subject to public or private suit for any conduct that falls outside the terms and conditions of the certificate.

Mr. Speaker, I urge my colleagues to support the conference report.

Mr. Speaker, I yield such time as he may consume to the distinguished chairman of the Foreign Affairs Committee, the gentleman from Wisconsin (Mr. ZABLOCKI).

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(Mr. ZABLOCKI asked and was given permission to revise and extend his remarks.)

Mr. ZABLOCKI. Mr. Speaker, I would first like to commend my fellow committee chairmen—Mr. ROBINO of the Judiciary Committee and Mr. ST GERMAIN of the Banking Committee—for their diligence in moving this legislation through their committees and through the conference committee. I should also recognize the efforts of the House author of the legislation, Representative DON BONKER, and of Representative JONATHAN BINGHAM, who has shepherded the legislation through his subcommittee and through the full Foreign Affairs Committee.

The Export Trading Company Act takes important steps toward giving the appropriate priority to encouraging exports through clarifying the antitrust laws with respect to export trade associations and by permitting bank participation in export trading companies.

This legislation will not solve the unemployment problem in the United States. In the short-run it will not even make a dent in our 10-percent unemployment rate. But, in the long-run, if the business community takes advantage of the opportunities offered by this act, it could play a significant role in increasing U.S. exports and thereby contributing to the U.S. balance of trade and to domestic employment.

The State of Wisconsin sees this legislation as a useful mechanism to bring small- and medium-sized firms in my State into the exporting field; the same potential exists in many other States.

I urge the Members to support this conference report which represents a reasonable approach to encouraging the formation of export trading companies and associations.

Mr. BROOKS. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. LAFALCE) on behalf of the Committee on Banking, Housing and Urban Affairs.

(Mr. LAFALCE asked and was given permission to revise and extend his remarks.)

Mr. LAFALCE. Mr. Speaker, I rise in support of the conference report on S. 734, the Export Trading Company Act of 1982. In the interest of time, I will limit my remarks to title II of the conference report. This title sets out the involvement of banking institutions in export trading company activities.

Mr. Speaker, as adopted by the conferees, title II is virtually identical to the House backed bill, which after extensive hearings and full participation by committee members, was reported out by a vote of 40 to 0 and passed the House on July 27, by voice vote. I am pleased that the conferees accepted the provisions of the House passed act virtually without change.

A primary concern of the House Banking Committee was how the traditional separation of banking from commerce could be breached without undue risk to participating banking institutions and at the same time provide a reasonable incentive for either bank investment in or ownership of export trading companies. The conferees adopted the concept of H.R. 6016 by insulating the risk to banks by the use of the bank holding company structure. In this way we insured a continuing regulatory presence through the Federal Reserve Board, minimal but fully adequate.

Mr. Speaker, on May 8, 1980, I introduced the first export trading company legislation. My goal then was, as it is now, to see legislation signed by the President that would make a healthy start at addressing the problems of our trade imbalance. This legislation is designed to provide new export opportunities for small and medium sized businesses and in so doing create new jobs for communities across the Nation. The magnitude of the possibilities of this bill are reflected in a study conducted by Chase Econometrics that estimates that by 1985, export trading companies could increase GNP by \$27 to \$55 billion, increase employment by 320,000 to 640,000 workers, and reduce the Federal deficit by \$11 to \$22 billion. These figures take on an additional dimension with the report this week—that August figures show a record \$7.1 billion deficit in our merchandise trade balance. The deficit reflects a 20.2 percent increase in imports and a 2.9 percent drop in exports. While the ETC bill is not meant as a panacea for this country's formidable export problems, it is a very important step toward formulating and implementing a comprehensive export promotion policy.

In order to meet the goals of this legislation it is essential that the newly formed trading companies are truly export trading companies. As author of the original export trading company legislation, I stressed the meaning of export by requiring companies formed under the provisions of the bill to operate "principally" for purposes of exporting goods or services produced in the United States or for purposes of facilitating the export of goods or services produced in the United States. By "principally" I meant that trading companies refrain from importing except when essential to a particular contract for export. Use of the word "principally" recognizes that ETC's will have to, on occasion, engage in importing, barter, third party trade and related activities in order to gain access to export opportunities. In most instances, this occasional importing shall be incidental to and necessary to effectuate the primary export transition.

I want to make it very clear that my intent in introducing and supporting the ETC bill is that companies are formed in such a way as to promote

the exclusive purpose of the legislation: Export promotion. It is intended that the great preponderance of ETC activity will not require importation of goods and services, and that the total annual dollar volume of U.S. exports arranged by ETC's will vastly exceed the total annual dollar volume of imports so arranged. An export company is not one that receives 49 percent of its revenues from import activities; it is not one that receives 30 percent, or 20 percent, or even 10 percent of its revenues from importing. An export company is one that imports only when importing is incidental to and necessary for an export effort.

Mr. Speaker, I plan to make it my mission to follow the formation of ETC's, to study the results of their operation, and to analyze the relationships that develop between the export and import of goods or services by ETC's. There is no question that should I find that trading companies are promoting importing or import services, I will be back on this floor demanding a revocation of the privileges contained in the bill now before us. Too much rests on efforts in this country to improve our export performance—too much to allow the creation of a vehicle to allow individual profiteers to ignore the intent of this legislation.

As a longtime supporter of the concept of trading companies, I am happy to see the fruition of the efforts of many people spending many hours to bring us to the point of final approval of this legislation. I am privileged and grateful to have been able to work with so many, as we have, in a strong spirit of bipartisan cooperation. We are all looking forward to the purpose and fruit of this legislation—enhancement of national exports and jobs for American workers.

Mr. BROOKS. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. BINGHAM).

(Mr. BINGHAM asked and was given permission to revise and extend his remarks.)

Mr. BINGHAM. Mr. Speaker, the Export Trading Company Act of 1982, which at last is before us for final approval, is a worthwhile piece of legislation which should be helpful both to industry and labor by improving our ability to export. With exports, of course, come jobs, and so this legislation can contribute in a small way at least to the economic recovery for which we all are striving.

Companies which produce not goods themselves but which specialize in marketing goods and services in foreign markets are essential to effective exporting, and exports in turn are essential to a strong U.S. economy. The fact is that foreign markets—particularly those in the developing countries—are generally growing and expanding more rapidly than our own. To the extent that we fail fully to take